

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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The Housing Authority of the County of Yolo,
aka Yolo County Housing (YCH), and the
Regional Housing Authority of Sutter and
Nevada Counties (RHASNC), and Siemens
Industry, Inc.,

Complainants,

vs.

Pacific Gas and Electric Company (U39E),

Defendant.

Case No. (C.) 16-02-006
(Filed February 3, 2016)

**MOTION OF PACIFIC GAS AND ELECTRIC COMPANY (U39E),
YOLO COUNTY HOUSING (YCH), THE REGIONAL HOUSING AUTHORITY
OF SUTTER AND NEVADA COUNTIES (RHASNC), AND SIEMENS INDUSTRY, INC.
FOR APPROVAL OF SETTLEMENT AGREEMENT**

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FOR THE HOUSING AUTHORITY OF THE
COUNTY OF YOLO, AKA YOLO COUNTY
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FOR SIEMENS INDUSTRY, INC.

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Dated: July 12, 2016

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FOR APPROVAL OF SETTLEMENT AGREEMENT**

I. INTRODUCTION AND SUMMARY OF RELIEF SOUGHT

Pursuant to California Public Utilities Commission (Commission) Rule of Practice and Procedure 12.1, Pacific Gas and Electric Company (PG&E), the Housing Authority of the County of Yolo aka Yolo County Housing (YCH), the Regional Housing Authority of Sutter and Nevada Counties (RHASNC) and Siemens Industry, Inc. (Siemens) (also referred to collectively as “the Parties” or individually as “the Party”),^{1/} hereby enter into this agreement (Settlement Agreement) resolving all issues raised in Complaint (C.) 16-02-006 (Complaint). This Settlement Agreement is in the public interest and represents an equitable resolution of all issues raised in the Complaint regarding the Multifamily Affordable Solar Housing (MASH) program. The Parties request that the Commission approve the Settlement Agreement in full.

^{1/} YCH, RHASNC and Siemens are also referred to in this pleading as “Complainants.”

II. PROCEDURAL BACKGROUND

The Multifamily Affordable Solar Housing Program (MASH) program provides incentives to support solar installations in low income multifamily housing facilities. MASH has two incentive levels and corresponding eligibility criteria for the incentive levels referred to as Track 1C and Track 1D. The Commission established the requirements for each level in Decision (D.) 15-01-027: “The Track 1C incentive will be offered at \$1.10/watt for portions of a PV system that offset either (1) common area load, (2) non-VNM tenant load, or (3) VNM tenant load where the tenant receives less than 50% of the of the economic benefit of the allocated generation. The Track 1D incentive will be offered at \$1.80/watt for portions of a PV system that use VNM to allocate generation that offsets tenant load and guarantee that tenants will receive at least 50% of the economic benefit of the generation allocated to them for the life of the system.”^{2/} Complainants submitted six applications seeking the higher level MASH incentives (Track 1D). Under the MASH program requirements, as approved by the Commission and documented in the MASH Handbook, approval for Track 1D incentives requires that the applicants guarantee that their low income tenants will receive at least a 50% economic benefit from the portion of the solar energy system allocated to the tenant via virtual net metering for the lesser of 20 years or the life of the system.^{3/} The other level of MASH incentives (Track 1C) does not include the fifty percent tenant benefit requirement. The Parties agree that Complainants’ applications currently meet all the requirements for conditional reservation of Track 1C MASH incentives. However, because Complainants had not requested Track 1C incentives and were not able to demonstrate compliance with the 50% tenant benefit requirement

^{2/} D. 15-01-027, p. 40.

^{3/} The California Public Utilities Commission Multifamily Affordable Solar Housing Program Handbook, First Edition (MASH Handbook), Section 2.6, p. 25. See also D.15-01-027, pp. 40-41.

for Track 1D incentives within the specified timeline,^{4/} PG&E cancelled the six projects in October 2015.

On February 3, 2016 Complainants filed this complaint seeking reinstatement of the six projects for MASH Track 1D incentives. PG&E's answer was timely filed on March 21, 2016. A prehearing conference was held by the Commission on April 15, 2016. During this proceeding the Parties scheduled a settlement discussion for April 25, 2016. The settlement session was successful and Parties reached agreement as described herein. Subsequent to this meeting on May 4, 2016, the Assigned Commissioner's Scoping Memo and Ruling was issued regarding the Complaint. On May 25, 2016, in response to Parties' request, ALJ Park suspended the procedural schedule in the Scoping Memo to permit additional time needed to submit this settlement approval request.

III. SUMMARY OF THE SETTLEMENT AGREEMENT

As provided in the Settlement Agreement attached here as Appendix A, PG&E will reinstate the six cancelled projects and provide them with conditional reservations for the MASH Program Track 1C incentives. The Complainants will withdraw their complaint seeking Track 1D incentives with prejudice. All MASH program requirements will continue to apply to the six projects on a going forward basis.

IV. THE SETTLEMENT AGREEMENT IS REASONABLE

The Commission approves settlements it finds "reasonable in light of the whole record, consistent with law, and in the public interest."^{5/} The Settlement Agreement the Parties propose meets these criteria.

^{4/} MASH Handbook, Section 4.8.3, p. 63, provides that applications will be cancelled if required information is not provided within 10 calendar days.

^{5/} Rule 12.1(d).

First, the Settlement Agreement is reasonable in light of the whole record. There is no dispute that the applications submitted by YCH and RHASNC meet the requirements for MASH 1C incentives. It is a strong measure of the reasonableness of the settlement that the Parties, who disputed the eligibility of these projects for Track 1D incentives, have now agreed to the proposed compromise.

Second, the Settlement Agreement is consistent with the overall goal of the MASH Program and Commission's policy to provide solar incentives to qualifying affordable housing.^{6/} The Settlement Agreement, reinstating these applications with Track 1C reservations, will allow YCH's and RHASNC's planned solar projects to move forward.

Third, approval of the Settlement Agreement is in the public interest. As the Commission has stated, to determine whether a settlement is in the public interest

...we consider individual elements of the settlement in order to determine whether the settlement generally balances the various interests at stake as well as to assure that each element is consistent with our policy objectives and the law.^{7/}

As noted above, the Settlement Agreement is a compromise of issues regarding Track 1D eligibility contested by the Parties. By reinstating the projects at the Track 1C incentive level, the Settlement appropriately balances the interest of the Commission in supporting solar in affordable multifamily housing without in any way diminishing the integrity of the Track 1D tenant benefit requirement.^{8/}

V. THE SETTLING PARTIES HAVE COMPLIED WITH THE REQUIREMENTS OF RULE 12.1(B)

PG&E noticed the convention of a settlement conference on May 26, 2016 and convened the telephonic conference on June 9, 2016 to describe and discuss the terms of the settlement.

^{6/} D.15-01-027, p. 2.

^{7/} D.96-01-011; 64 CPUC2d 241, 267, citing D.94-04-088.

^{8/} D.15-01-028, p. 40.

Representatives of all the Parties attended the conference and the Settlement Agreement was fully executed on July 6, 2016.

VI. CONCLUSION

The Parties appreciate the opportunity to submit this Motion and the attached Settlement Agreement to the Commission for consideration and urge prompt approval.

YCH, RHASNC and Siemens have authorized PG&E to sign this motion on their behalf.

Respectfully submitted on behalf of
Pacific Gas and Electric Company;
The Housing Authority of the County of Yolo;
The Regional Housing Authority of Sutter and
Nevada Counties; and Siemens Industry, Inc.,

By: /s/ Stacy W. Walter
STACY W. WALTER

Pacific Gas and Electric Company
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San Francisco, CA 94120
Telephone: (415) 973-6611
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E-Mail: sww9@pge.com

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

July 12, 2016

APPENDIX A

**BEFORE THE
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^{1/} YCH, RHASNC and Siemens are also referred to in this pleading as “Complainants”.

I. BACKGROUND

The Complaint requested that the Commission reinstate six Multifamily Affordable Solar Housing Program (MASH) applications submitted by Complainants to PG&E.^{2/} The CPUC-approved MASH program has two incentive levels and corresponding eligibility criteria for the incentive levels. Complainants submitted applications seeking the higher level MASH incentives (Track 1D). Under the MASH program requirements as approved by the Commission and documented in the MASH Handbook, approval for the higher Track 1D incentives requires that the applicants guarantee that their low income tenants will receive at least a 50% economic benefit from the portion of the solar energy system allocated to the tenant via virtual net metering for the lesser of 20 years or the life of the system.^{3/} Because Complainants were not able to demonstrate compliance with the 50% tenant benefit requirement within the specified timeline,^{4/} PG&E cancelled the six projects in October 2015 consistent with the timelines laid out in the MASH program rules.^{5/} The other level of MASH incentives (Track 1C) does not include the fifty percent tenant benefit requirement. The Parties agree that Complainants' applications currently meet all the requirements for Track 1C MASH incentives.

A prehearing conference was held by the Commission on April 15, 2016. During this proceeding the Parties scheduled a settlement discussion for April 25, 2016. The settlement session was successful and Parties reached agreement as described herein.

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^{2/} Complaint, p. 2.

^{3/} The California Public Utilities Commission Multifamily Affordable Solar Housing Program Handbook, First Edition (MASH Handbook), Section 2.6, p. 25. See also D.15-01-027, pp. 40-41.

^{4/} MASH Handbook, Section 4.8.3, p. 63, provides that applications will be cancelled if required information is not provided within 10 calendar days.

^{5/} Id.

II. RECITALS

A. The California MASH solar incentive program has two incentive levels, Track 1D and Track 1C. The Commission established the requirements for each level in Decision (D.) 15-01-027: “The Track 1C incentive will be offered at \$1.10/watt for portions of a PV system that offset either (1) common area load, (2) non-VNM tenant load, or (3) VNM tenant load where the tenant receives less than 50% of the of the economic benefit of the allocated generation. The Track 1D incentive will be offered at \$1.80/watt for portions of a PV system that use VNM to allocate generation that offsets tenant load and guarantee that tenants will receive at least 50% of the economic benefit of the generation allocated to them for the life of the system.”^{6/}

B. Complainants applied for Track 1D incentives for MASH applications 393, 394, 397, 399, 400 and 401(MASH Applications).

C. While Complainants’ MASH Applications would have met all requirements needed for PG&E to conditionally reserve Track 1C MASH incentives, they did not submit the level of detail required to document how the tenant economic benefit would have been reached as required for reservation of Track 1D incentives.

D. The Track 1D tenant benefit requirement was relatively new and did not apply to projects enrolled in MASH prior to the reopening of the program in August, 2015.

E. The Parties exchanged numerous emails and phone calls between July 31st, 2015 to October 13th, 2015 during the MASH application submittal period in an effort to address questions and concerns regarding the Track 1D tenant benefit requirement. However, agreement on sufficient documentation of the tenant benefit requirement was not reached during the application timeline provided for in the MASH Handbook, leading to the Complaint.

^{6/} D. 15-01-027, p. 40.

III. SETTLEMENT AGREEMENT PROVISIONS

In order to resolve all issues pending under this Complaint the Parties agree as follows:

A. Settlement Parameters

- 1) PG&E agrees to reinstate Complainants' MASH Applications # 393, 394, 397, 399, 400 and 401 and provide conditional reservations for these projects for Track 1C incentives in the amount of \$785,697 as follows:
 - 393 - \$69,244
 - 394 - \$239,829
 - 397 - \$124,456
 - 399 - \$98,525
 - 400 - \$98,525
 - 401 - \$155,119
- 2) Complainants agree to relinquish any and all claims for Track 1D incentives for these projects; and
- 3) Complainants agree and understand that they must meet all applicable MASH requirements within the MASH Program deadlines in order to receive these reserved MASH incentives.

B. Commission Approval

This Settlement Agreement shall become effective on the mailing date of a final Commission decision approving the terms of this Settlement Agreement without modifications unacceptable to any Party.

C. Dismissal of Complaint Case

Complainants will take any necessary steps to dismiss this Complaint case with prejudice within ten (10) days of a final Commission decision approving the Settlement Agreement.

D. General Terms and Conditions

1. The Parties agree to support the Settlement Agreement and perform diligently, and in good faith, all actions required or implied hereunder to obtain Commission approval of this Settlement Agreement and dismissal of the complaint, including without limitation, the preparation of written pleadings. No Party will contest in this proceeding, or in any other forum or in any manner before the Commission, this Settlement Agreement.

2. The Parties understand that time is of the essence in obtaining the Commission's approval of this Settlement Agreement and that each will extend its best efforts to ensure that the Commission issues a final decision approving the Settlement Agreement.

3. The Settlement Agreement is not intended by the Parties to be precedent regarding any principle or issue. The Parties have assented to the terms of this Settlement Agreement only for the purpose of arriving at the compromise embodied in the Settlement. Each Party expressly reserves its right to advocate, in current and future proceedings, positions, principles, assumptions, and arguments which may be different than those underlying this Settlement Agreement and each Party declares this Settlement Agreement should not be considered as precedent for or against it.

4. The Parties agree by executing and submitting this Settlement Agreement that the relief requested herein is just, fair and reasonable, and in the public interest.

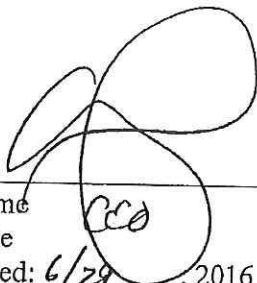
5. This Settlement Agreement embodies compromises of the Parties' positions. No individual term of this Settlement Agreement is assented to by any Party, except in consideration of the other Parties' assent to all other terms. Thus the Settlement Agreement is indivisible and each part is interdependent on each and all other parts. Any Party may withdraw from this Settlement if the Commission modifies, deletes from, or adds to the disposition of the matters stipulated herein. The Parties agree, however, to negotiate in good faith with regard to any


Commission-ordered changes in order to restore the balance of benefits and burdens, and to exercise the right to withdraw only if such negotiations are unsuccessful.

6. The terms and conditions of the Settlement Agreement may only be modified in writing subscribed to by the Parties.

7. This Settlement Agreement may be executed in counterparts, each of which will be deemed to be an original and all of which, taken together, shall constitute a single instrument. This Settlement Agreement may be executed by signature via facsimile or PDF transmission and either shall be deemed the same as an original signature.

The Parties have caused this Settlement Agreement to be executed by their authorized representatives. By signing this Settlement Agreement, the representatives of the Parties warrant that they have the requisite authority to bind their respective principals.

By: 
Name CCO
Title
Dated: 6/29, 2016
HOUSING AUTHORITY OF THE
COUNTY OF YOLO, AKA YOLO COUNTY
HOUSING

By: 
Name SCOTT MEINEN
Title ACCOUNT EXECUTIVE
Dated: June 16, 2016
SIEMENS INDUSTRY, INC.

By: _____
Name
Title
Dated: _____, 2016
REGIONAL HOUSING AUTHORITY OF
SUTTER AND NEVADA COUNTIES

By: _____
Name
Title
Dated: _____, 2016
PACIFIC GAS AND ELECTRIC COMPANY


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Title
Dated: _____, 2016
HOUSING AUTHORITY OF THE
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HOUSING

By: _____
Name SCOTT MEINZEN
Title ACCOUNT EXECUTIVE
Dated: JUNE 16, 2016
SIEMENS INDUSTRY, INC.

By: _____
Name
Title
Dated: _____, 2016
REGIONAL HOUSING AUTHORITY OF
SUTTER AND NEVADA COUNTIES

By: _____
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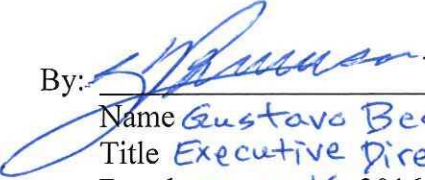
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HOUSING

By: _____
Name
Title
Dated: _____, 2016
SIEMENS INDUSTRY, INC.

By:  _____
Name Gustavo Becerra
Title Executive Director
Dated: June 16, 2016
REGIONAL HOUSING AUTHORITY OF
SUTTER AND NEVADA COUNTIES

By: _____
Name
Title
Dated: _____, 2016
PACIFIC GAS AND ELECTRIC COMPANY

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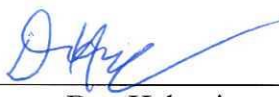
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HOUSING

By: _____
Name
Title
Dated: _____, 2016
SIEMENS INDUSTRY, INC.

By: _____
Name
Title
Dated: _____, 2016
REGIONAL HOUSING AUTHORITY OF
SUTTER AND NEVADA COUNTIES

By:  _____
Name Dan Halperin
Title Director, Distributed Generation
Dated: July 6, 2016
PACIFIC GAS AND ELECTRIC COMPANY